

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-04106A
Cibola Mutual Water Company, Inc.
RR2, Box 77
Cibola, AZ 85328

RECEIVED
MAY 11 2011
W. CORP. COMM
Cibola Utilities

ANNUAL REPORT
Water

FOR YEAR ENDING

| | | |
|-----------|-----------|-------------|
| 12 | 31 | 2010 |
|-----------|-----------|-------------|

FOR COMMISSION USE

| | |
|---------------|-----------|
| ANN 04 | 10 |
|---------------|-----------|

5-16-11

COMPANY INFORMATION

Company Name (Business Name) Cibola Mutual Water Company, Inc.

Mailing Address RR2, Box 77 5948 Levee Rd.
(Street)

Cibola
(City)

AZ
(State)

85328
(Zip)

928-857-3506

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address cibolamutualwater@html.com

Local Office Mailing Address Same as above
(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address cibolamutualwater@html.com

MANAGEMENT INFORMATION

☐ **Management Contact:** Dave Grundy General Manager
(Name) (Title)

RR2, Box 77 5948 Levee Rd.
(Street)

Cibola
(City)

AZ
(State)

85328
(Zip)

928-857-3506

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address _____

On Site Manager: Same
(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address _____

Statutory Agent: _____
(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Attorney: Ledbetter Law Firm
(Name)

1003 N. Main St. Cottonwood AZ 86326
(Street) (City) (State) (Zip)

928-649-8777
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address www.ledbetter-law.com

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input checked="" type="checkbox"/> Other (Describe) <u>Non-profit--pending</u> | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|--|-----------------------------------|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input checked="" type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> LA PAZ | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

HOLM, HESTAND & VALENZUELA, CPAs, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

3131 NORTH COUNTRY CLUB ROAD, SUITE 109

TUCSON, ARIZONA 85716

DOUGLAS R. HOLM, CPA
EMMA K. HESTAND, CPA
JANETTE G. VALENZUELA, CPA

TELEPHONE: (520) 326-8483
FAX: (520) 795-5191
E-MAIL: HHVCPA@EARTHLINK.NET

ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors
Cibola Mutual Water Company, Inc.
Cibola, AZ 85328

We have compiled the balance sheet of Cibola Mutual Water Company, Inc. as of December 31, 2010, and the related statement of income and expense for the year then ended, included in the accompanying prescribed form. We have also compiled the supplementary information presented in the prescribed form. We have not audited or reviewed the accompanying financial statements and supplementary information, and accordingly, do not express an opinion or provide any assurance about whether the financial statements and supplementary information are in accordance with the Arizona Corporation Commission--Utilities Division.

Management is responsible for the preparation and fair presentation of the financial statements and supplementary information in accordance with requirements prescribed by the Arizona Corporation Commission--Utilities Division and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements and supplementary information.

Our responsibility is to conduct the compilation in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements and supplementary information.

These financial statements (including related disclosures) and the supplementary information are presented in accordance with the requirements of the Arizona Corporation Commission--Utilities Division, which differ from accounting principles generally accepted in the United States of America. This report is intended solely for the information and use of the Arizona Corporation Commission--Utilities Division and is not intended to be used by anyone other than this specified party.

Holm, Hestand & Valenzuela CPAs P.C.

May 1, 2011

UTILITY PLANT IN SERVICE

| Acct. No. | DESCRIPTION | Original Cost (OC) | Accumulated Depreciation (AD) | O.C.L.D. (OC less AD) |
|----------------------|---|-------------------------------|--|----------------------------------|
| 301 | Organization | 223134 | | 223134 |
| 302 | Franchises | | | |
| 303 | Land and Land Rights | 9045 | | 9045 |
| 304 | Structures and Improvements | 395244 | 6588 | 388656 |
| 307 | Wells and Springs | 248000 | 4133 | 243867 |
| 311 | Pumping Equipment | 171000 | 10688 | 160312 |
| 320 | Water Treatment Equipment | 638461 | 10641 | 627820 |
| 330 | Distribution Reservoirs and Standpipes | 458000 | 5088 | 452912 |
| 331 | Transmission and Distribution Mains | 2004413 | 20044 | 1984369 |
| 333 | Services | 81515 | 1357 | 80158 |
| 334 | Meters and Meter Installations | 135485 | 5643 | 129842 |
| 335 | Hydrants | 260300 | 2603 | 257697 |
| 336 | Backflow Prevention Devices | | | |
| 339 | Other Plant and Misc. Equipment | 73000 | 2434 | 70566 |
| 340 | Office Furniture and Equipment | 10131 | 338 | 9793 |
| 341 | Transportation Equipment | 18116 | 1812 | 16304 |
| 343 | Tools, Shop and Garage Equipment | 5449 | 136 | 5313 |
| 344 | Laboratory Equipment | 390000 | 19500 | 370500 |
| 345 | Power Operated Equipment | | | |
| 346 | Communication Equipment | | | |
| 347 | Miscellaneous Equipment | | | |
| 348 | Other Tangible Plant | | | |
| | TOTALS | 5121293 | 91005 | 5030288 |

This amount goes on the Balance Sheet Acct. No. 108

See Accountants' Compilation Report.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

| Acct. No. | DESCRIPTION | Original Cost (1) | Depreciation Percentage (2) | Depreciation Expense (1x2) |
|--------------|--|----------------------|-----------------------------------|----------------------------------|
| 301 | Organization | 223134 | | |
| 302 | Franchises | | | |
| 303 | Land and Land Rights | 9045 | | |
| 304 | Structures and Improvements | 395244 | 3.33% | 6588 |
| 307 | Wells and Springs | 248000 | 3.33% | 4133 |
| 311 | Pumping Equipment | 171000 | 12.50% | 10688 |
| 320 | Water Treatment Equipment | 638461 | 3.33% | 10641 |
| 330 | Distribution Reservoirs and Standpipes | 458000 | 2.22% | 5088 |
| 331 | Transmission and Distribution Mains | 2004413 | 2.00% | 20044 |
| 333 | Services | 81515 | 3.33% | 1357 |
| 334 | Meters and Meter Installations | 135485 | 8.33% | 5643 |
| 335 | Hydrants | 260300 | 2.00% | 2603 |
| 336 | Backflow Prevention Devices | | | |
| 339 | Other Plant and Misc. Equipment | 73000 | 6.67% | 2434 |
| 340 | Office Furniture and Equipment | 10131 | 6.67% | 338 |
| 341 | Transportation Equipment | 18116 | 20.00% | 1812 |
| 343 | Tools, Shop and Garage Equipment | 5449 | 5.00% | 136 |
| 344 | Laboratory Equipment | 390000 | 10.00% | 19500 |
| 345 | Power Operated Equipment | | | |
| 346 | Communication Equipment | | | |
| 347 | Miscellaneous Equipment | | | |
| 348 | Other Tangible Plant | | | |
| | TOTALS | 5121293 | | 91005 |

This amount goes on the Comparative Statement of Income and Expense _____
 Acct. No. 403.

Less: Amortization of Contributions in Aid of Construction

(79059)
11946

See Accountants' Compilation Report.

BALANCE SHEET

| Acct No. | ASSETS | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|----------|---|------------------------------|------------------------|
| | CURRENT AND ACCRUED ASSETS | | \$ 87862 |
| 131 | Cash | | |
| 134 | Working Funds | | |
| 135 | Temporary Cash Investments | | |
| 141 | Customer Accounts Receivable | | 14192 |
| 146 | Notes/Receivables from Associated Companies | | |
| 151 | Plant Material and Supplies | | |
| 162 | Prepayments | | |
| 174 | Miscellaneous Current and Accrued Assets | | |
| | TOTAL CURRENT AND ACCRUED ASSETS | \$ -0- | \$ 102054 |
| | FIXED ASSETS | | |
| 101 | Utility Plant in Service | | \$ 5121293 |
| 103 | Property Held for Future Use | | |
| 105 | Construction Work in Progress | | |
| 108 | Accumulated Depreciation – Utility Plant | | (91005) |
| 121 | Non-Utility Property | | |
| 122 | Accumulated Depreciation – Non Utility | | |
| | TOTAL FIXED ASSETS | | \$ 5030288 |
| | TOTAL ASSETS | \$ -0- | \$ 5132342 |

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

| Acct. No. | | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|----------------------|---|---|---------------------------------------|
| | LIABILITIES | | |
| | CURRENT LIABILITIES | | |
| 231 | Accounts Payable | | \$ 110 |
| 232 | Notes Payable (Current Portion) | | |
| 234 | Notes/Accounts Payable to Associated Companies | | |
| 235 | Customer Deposits | | 135485 |
| 236 | Accrued Taxes | | 2889 |
| 237 | Accrued Interest | | |
| 241 | Miscellaneous Current and Accrued Liabilities | | |
| | TOTAL CURRENT LIABILITIES | | \$ 138484 |
| | LONG-TERM DEBT (Over 12 Months) | | |
| 224 | Long-Term Notes and Bonds | | \$ 342610 |
| | DEFERRED CREDITS | | |
| 251 | Unamortized Premium on Debt | | |
| 252 | Advances in Aid of Construction | | |
| 255 | Accumulated Deferred Investment Tax Credits | | |
| 271 | Contributions in Aid of Construction | | 4743532 |
| 272 | Less: Amortization of Contributions | | (79059) |
| 281 | Accumulated Deferred Income Tax | | |
| | TOTAL DEFERRED CREDITS | | \$ 4664473 |
| | TOTAL LIABILITIES | | \$ 5145567 |
| | CAPITAL ACCOUNTS | | |
| 201 | Common Stock Issued | | |
| 211 | Paid in Capital in Excess of Par Value | | 5705 |
| 215 | Retained Earnings | | (18930) |
| 218 | Proprietary Capital (Sole Props and Partnerships) | | |
| | TOTAL CAPITAL | | \$ (13225) |
| | TOTAL LIABILITIES AND CAPITAL | | \$ 5132342 |

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

| Acct. No. | OPERATING REVENUES | PRIOR YEAR | CURRENT YEAR |
|----------------------|--|-------------------|---------------------|
| 461 | Metered Water Revenue | | \$ 44070 |
| 460 | Unmetered Water Revenue | | |
| 474 | Other Water Revenues | | 789 |
| | TOTAL REVENUES | | \$ 44859 |
| | | | |
| | OPERATING EXPENSES | | |
| 601 | Salaries and Wages | | \$ 12013 |
| 610 | Purchased Water | | |
| 615 | Purchased Power | | 4831 |
| 618 | Chemicals | | 1605 |
| 620 | Repairs and Maintenance | | 4654 |
| 621 | Office Supplies and Expense | | 8878 |
| 630 | Outside Services | | 8820 |
| 635 | Water Testing | | 5050 |
| 641 | Rents | | 500 |
| 650 | Transportation Expenses | | 661 |
| 657 | Insurance – General Liability | | 1575 |
| 659 | Insurance - Health and Life | | |
| 666 | Regulatory Commission Expense -- Rate Case | | |
| 675 | Miscellaneous Expense | | 645 |
| 403 | Depreciation Expense | | 11946 |
| 408 | Taxes Other Than Income | | 2540 |
| 408.11 | Property Taxes | | 68 |
| 409 | Income Tax | | |
| | TOTAL OPERATING EXPENSES | | \$ 63786 |
| | | | |
| | OPERATING INCOME/(LOSS) | | \$ (18927) |
| | | | |
| | OTHER INCOME/(EXPENSE) | | |
| 419 | Interest and Dividend Income | | |
| 421 | Non-Utility Income | | |
| 426 | Miscellaneous Non-Utility Expenses | | |
| 427 | Interest Expense | | (3) |
| | TOTAL OTHER INCOME/(EXPENSE) | | \$ (3) |
| | | | |
| | NET INCOME/(LOSS) | | \$ (18930) |

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

| | LOAN #1 | LOAN #2 | LOAN #3 | LOAN #4 |
|------------------------|----------------|----------------|----------------|----------------|
| Date Issued | 7/17/09 | 7/17/09 | | |
| Source of Loan | USDA-RD | USDA-RD | | |
| ACC Decision No. | | | | |
| Reason for Loan | Build System | Build System | | |
| Dollar Amount Issued | \$200,000 | \$142,610 | \$ | \$ |
| Amount Outstanding | \$200,000 | \$142,610 | \$ | \$ |
| Date of Maturity | 7/17/2049 | 7/17/2049 | | |
| Interest Rate | 4.5% | 4.5% | % | % |
| Current Year Interest | \$8450 | \$5697 | \$ | \$ |
| Current Year Principle | \$ -0- | \$ -0- | \$ | \$ |

Meter Deposit Balance at Test Year End \$ 135485

Meter Deposits Refunded During the Test Year \$ -0-

COMPANY NAME Cibola Mutual Water Company, Inc.

Name of System Cibola Mutual Water Company **ADEQ Public Water System Number:** 15123

WATER COMPANY PLANT DESCRIPTION

WELLS

| ADWR ID Number* | Pump Horsepower | Pump Yield (gpm) | Casing Depth (Feet) | Casing Diameter (Inches) | Meter Size (inches) | Year Drilled |
|----------------------------|----------------------------|-----------------------------|------------------------------------|---|--------------------------------|-------------------------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

| Name or Description | Capacity (gpm) | Gallons Purchased or Obtained (in thousands) |
|----------------------------|---------------------------|---|
| Surface--Colorado River | | |
| | | |

| BOOSTER PUMPS | | FIRE HYDRANTS | |
|----------------------|-----------------|--------------------------|-----------------------|
| Horsepower | Quantity | Quantity Standard | Quantity Other |
| 2-10 HP | 2 | 64 | |
| 1-100 HP | 1 | | |
| | | | |
| | | | |

| STORAGE TANKS | | PRESSURE TANKS | |
|----------------------|-----------------|-----------------------|-----------------|
| Capacity | Quantity | Capacity | Quantity |
| 100,000 gal | 1 | 1550 | 1 |
| 168,000 gal | 1 | | |
| | | | |

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME Cibola Mutual Water Company, Inc.

Name of System: Cibola Mutual Water Company **ADEQ Public Water System Number:** 15123

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

| Size (in inches) | Material | Length (in feet) |
|------------------|---------------------|------------------|
| 2 | | |
| 3 | | |
| 4 | | |
| 5 | | |
| 6 | | |
| 8 | C-900 CL 150 PVC | 32220 |
| 10 | | |
| 12 | C-900 CL 150 PVC | 19680 |
| | | |
| | | |
| | | |
| | | |
| | | |

CUSTOMER METERS

| Size (in inches) | Quantity |
|------------------|----------|
| 5/8 X 3/4 | |
| 3/4 | 175 |
| 1 | 5 |
| 1 1/2 | |
| 2 | |
| Comp. 3 | |
| Turbo 3 | |
| Comp. 4 | |
| Turbo 4 | |
| Comp. 6 | |
| Turbo 6 | |
| | |
| | |

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

| | |
|--------------------------|---------------------------|
| 2-Intake Pumps 1.5 HP | 1--100 HP Booster Pump |
| 2-Ultra Filtration Units | 2--10 HP Booster Pumps |
| Chlorinating System | 1--Pressure Tank 1550 gal |
| 100,000 Reservoir | |
| 168,000 Reservoir | |
| 4,000 Compensating Tank | |

STRUCTURES:

| |
|-----------------------|
| Office Building |
| Electrical Building |
| Chlorination Building |
| Intake Platform |

OTHER:

| |
|--------------------|
| Distribution Lines |
| 64 Fire Hydrants |
| Generator |

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Cibola Mutual Water Company, Inc.

Name of System: Cibola Mutual Water Company

ADEQ Public Water System Number: 15123

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2010

| MONTH | NUMBER OF CUSTOMERS | GALLONS SOLD (Thousands) | GALLONS PUMPED (Thousands) | GALLONS PURCHASED (Thousands) |
|-----------|---------------------|-----------------------------|-------------------------------|----------------------------------|
| JANUARY | | | | |
| FEBRUARY | | | | |
| MARCH | | | | |
| APRIL | | | | |
| MAY | | | | |
| JUNE | | | | |
| JULY | | | | |
| AUGUST | | | | |
| SEPTEMBER | 180 | 673170 | 1279000 | 0 |
| OCTOBER | 180 | 327150 | 890000 | 0 |
| NOVEMBER | 180 | 274810 | 686000 | 0 |
| DECEMBER | 180 | 278260 | 520000 | 0 |
| TOTALS → | | 1553390 | 3375000 | 0 |

What is the level of arsenic for each well on your system? No Wells mg/l

(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? __ GPM for __ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

☒ Yes

☐ No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☐ Yes

☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes

☒ No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

| |
|---|
| COMPANY NAME: Cibola Mutual Water Company, Inc. |
| Name of System: Cibola Mutual Water Company ADEQ Public Water System Number: 15123 |

UTILITY SHUTOFFS / DISCONNECTS

| MONTH | | Termination without Notice R14-2-410.B | Termination with Notice R14-2-410.C | OTHER |
|-----------|--|---|--|-------|
| JANUARY | | | | |
| FEBRUARY | | | | |
| MARCH | | | | |
| APRIL | | | | |
| MAY | | | | |
| JUNE | | | | |
| JULY | | | | |
| AUGUST | | 0 | 0 | |
| SEPTEMBER | | 0 | 0 | |
| OCTOBER | | 0 | 0 | |
| NOVEMBER | | 0 | 0 | |
| DECEMBER | | 0 | 0 | |
| TOTALS → | | 0 | 0 | |

OTHER (description):

COMPANY NAME Cibola Mutual Water Company, Inc. **YEAR ENDING 12/31/2010**

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2010 was: \$ 68

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

RECEIVED

2008 CLAIM
SINGLE COPY

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

| |
|--|
| COUNTY OF (COUNTY NAME) LA PAZ |
| NAME (OWNER OR OFFICIAL) TITLE DAVE GRUNDY, MANAGER |
| COMPANY NAME CIBOLA MUTUAL WATER COMPANY, INC. |

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

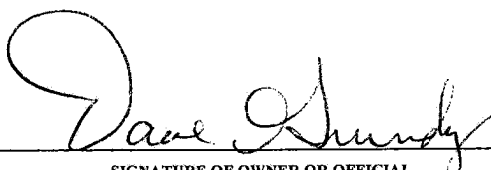
| | | |
|-------|-----|------|
| MONTH | DAY | YEAR |
| 12 | 31 | 2010 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



SIGNATURE OF OWNER OR OFFICIAL
(928) 857-3500

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

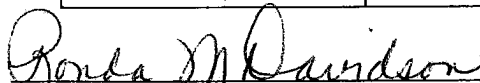
THIS

12th

DAY OF MAY

| | |
|------------------------------|--------------|
| COUNTY NAME RIVERSIDE | |
| MONTH MAY | 20 11 |

(SEAL) **SEE ATTACHED FOR NOTARIAL SEAL**



SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 8/31/11

See Accountants' Compilation Report.

COMPANY NAME Cibola Mutual Water Company, Inc. YEAR ENDING
12/31/2010

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported -0-
Estimated or Actual Federal Tax Liability _____

State Taxable Income Reported -0-
Estimated or Actual State Tax Liability _____

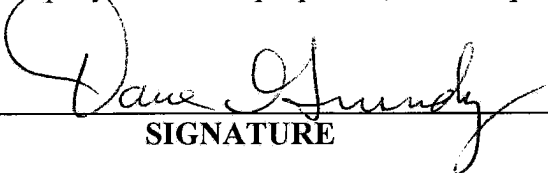
Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

5/12/11
DATE

Dave Grundy
PRINTED NAME

Manager
TITLE

**VERIFICATION
AND
SWORN STATEMENT**
Intrastate Revenues Only

RECEIVED

MAY 18 2011

ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

| | |
|--------------------------------|-----------------------------------|
| COUNTY OF (COUNTY NAME) | PIMA |
| NAME (OWNER OR OFFICIAL) TITLE | BONNIE O'CONNOR, MANAGER |
| COMPANY NAME | CIBOLA MUTUAL WATER COMPANY, INC. |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

| | | |
|-------|-----|------|
| MONTH | DAY | YEAR |
| 1 | 31 | 2010 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

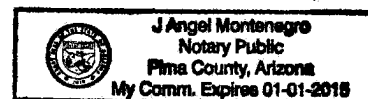
IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2010 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 47909

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 3050
IN SALES TAXES BILLED, OR COLLECTED)

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)



[Signature]
SIGNATURE OF OWNER OR OFFICIAL
520-623-5172
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 28 DAY OF

(SEAL)

| | | |
|-------------|-------|------|
| COUNTY NAME | PIMA | |
| MONTH | APRIL | 2011 |

MY COMMISSION EXPIRES 11/1/15

See Accountants' Reports

[Signature]
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

| | |
|--------------------------------|-----------------------------------|
| COUNTY OF (COUNTY NAME) | PIMA |
| NAME (OWNER OR OFFICIAL) TITLE | BONNIE O'CONNOR, MANAGER |
| COMPANY NAME | CIBOLA MUTUAL WATER COMPANY, INC. |

RECEIVED
MAY 18 2010
ACCOUNTILITIES DIRECTOR

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

| | | |
|-------|-----|------|
| MONTH | DAY | YEAR |
| 12 | 31 | 2010 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

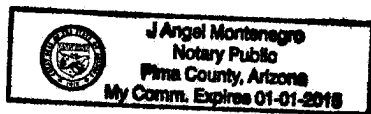
IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2010 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUE:

\$ 47384

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 3017
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.



SIGNATURE OF OWNER OR OFFICIAL

520-623-5172

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

28

DAY OF

| | |
|--|-------------|
| NOTARY PUBLIC NAME <u>J. ANGEL MONTENEGRO</u> | |
| COUNTY NAME <u>PIMA</u> | |
| MONTH <u>APRIL</u> | <u>2011</u> |

(SEAL)

MY COMMISSION EXPIRES

SIGNATURE OF NOTARY PUBLIC

See Accountants' Reports

11/1/15

26

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

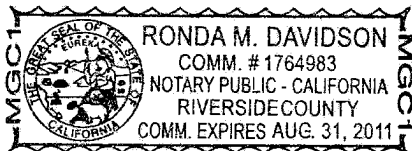
State of California

County of RIVERSIDE

On MAY 12, 2011 before me, RONDA M. DAVIDSON, Notary Public,
Date Here Insert Name and Title of the Officer

personally appeared DAVID GRUNDY
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: Ronda M. Davidson
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: AZ CORP Commission Utilities Division

Document Date: 5/12/11 Number of Pages: 19

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____ Signer's Name: _____

☐ Corporate Officer — Title(s): _____ ☐ Corporate Officer — Title(s): _____

☐ Individual ☐ Individual

☐ Partner — ☐ Limited ☐ General ☐ Partner — ☐ Limited ☐ General

☐ Attorney in Fact ☐ Attorney in Fact

☐ Trustee ☐ Trustee

☐ Guardian or Conservator ☐ Guardian or Conservator

☐ Other: _____ ☐ Other: _____

Signer Is Representing: _____ Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here